

Message Text

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ORIGIN SS-30

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DRAFTED BY NEA/ARN:DAKORN:JFC

APPROVED BY NEA/MR. SOBER

S/S - O: W.NEWLIN

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O 300042Z MAY 74

FM SECSTATE WASHDC

TO USINT DAMASCUS IMMEDIATE

S E C R E T STATE 112939

EXDIS

E.O. 11652: XGDS-1

SUBJECT: ADDITIONAL DOLS TEN MILLION FY 74 MONEY FOR
JORDAN

REF: SECTO 570

FOR ATHERTON FROM SOBER

1. FOLLOWING IS DRAFT OF OPTIONS MEMO ON PROBLEM OF DOLS
TEN MILLION ADDITIONAL FY 74 SUPPORTING ASSISTANCE FOR
JORDAN WHICH IN VIEW OF DELAY IN YOUR RETURN TO WASHINGTON
AND IN LIGHT OF NEED FOR EARLY DECISION WE ARE SENDING FOR
YOUR COMMENTS AND CLEARANCE. SUBJECT TO YOUR REVIEW,
I PROPOSE TO SEND IT FORWARD TO SECRETARY
VIA SISCO. DRAFT HAS
CLEARANCE OF PM, S/NM, EA, EUR, ISA/DSAA AID AT
ASSISTANT ADMINISTRATOR LEVEL, AND H.

2. BEGIN QUOTE:
THE PROBLEM

THE JORDANIANS ARE PRESSING US FOR PROVISION, BEFORE THE
END OF THIS FISCAL YEAR, OF AN ADDITIONAL DOLS TEN MILLION
IN SUPPORTING ASSISTANCE WHICH WE PROMISED THIS PAST MARCH
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THAT WE WOULD PROVIDE, AS SOON AS FUNDS BECAME AVAILABLE.
PRIME MINISTER RIFAI SAYS JORDAN HAS NOW EXPENDED ITS FULL
CAPACITY FOR DEFICIT FINANCING AND NEEDS THE DOLS TEN
MILLION TO MEET MONTHLY SALARY PAYMENTS (AMMAN 2914, TAB A).

RIFAI RAISED THIS MATTER DURING YOUR MAY 5 MEETING WITH KING HUSSEIN AND YOU SAID WE WOULD MAKE GOOD ON ANYTHING WE HAD PROMISED (SECTO 57, TAB B). DUE TO THE NEED FOR FUNDS FOR THE SUEZ CANAL AND FOR THE INTERNATIONAL CONTROL COMMISSION IN VIETNAM, IT WAS NECESSARY TO TRANSFER DOLS FIVE MILLION FROM THE MAP ACCOUNT TO MAINTAIN THE LIQUIDITY OF THE SUPPORTING ASSISTANCE ACCOUNT. THE FY 1974 SUPPORTING ASSISTANCE ACCOUNT IS NOW PRACTICALLY EXHAUSTED AND, AT BEST, ONLY ABOUT DOLS 1.4 MILLION MAY BE AVAILABLE FROM DEOBLIGATIONS IN ALREADY APPROVED PROGRAMS BEFORE THE END OF THIS FISCAL YEAR (SEE TAB C). IF WE ARE TO FULFILL THE JORDANIAN REQUIREMENT WE MUST TRANSFER SUFFICIENT FUNDS FROM OTHER FY 74 FOREIGN ASSISTANCE PROGRAM ACCOUNTS TO MAKE UP THE NECESSARY DOLS TEN MILLION.

BACKGROUND/ANALYSIS

WE ASKED FOR DOLS 60 MILLION IN BUDGET SUPPORT FOR JORDAN IN FY 1974 AND PROVIDED JORDAN DOLS 45 MILLION DURING THE FIRST HALF OF THE FISCAL YEAR. WE INFORMED THE JORDANIANS THAT, BECAUSE OF CONGRESSIONAL CUTS IN THE FY 1974 SA BILL, WE WOULD BE UNABLE TO PROVIDE THE FULL DOLS 60 MILLION BUT WOULD DO OUR BEST TO PROVIDE AN EXTRA DOLS TEN MILLION, FOR AN FY 1974 TOTAL OF DOLS 55 MILLION. ON FEBRUARY 8 YOU APPROVED AN NEA RECOMMENDATION THAT WE BE AUTHORIZED TO INFORM THE JORDANIANS DURING KING HUSSEIN'S VISIT THAT WE WOULD PROVIDE JORDAN THIS EXTRA DOLS TEN MILLION IN FY 74 SUPPORTING ASSISTANCE AS SOON AS THE FUNDS BECAME AVAILABLE (COPY OF MEMO AT TAB D). THIS WAS DONE WHEN THE KING CAME HERE IN MARCH. AT THAT TIME, HOWEVER, THE JORDANIANS ASKED US FOR A FURTHER DOLS 35 MILLION IN SUPPORTING ASSISTANCE BEFORE THE END OF FY 1974, TO COVER SALARIES AND OTHER JORDANIAN GOVERNMENT CURRENT EXPENSES. WE SAID THAT IN ADDITION TO THE EXTRA DOLS TEN MILLION WE WOULD ASK CONGRESS TO APPROPRIATE DOLS 12.5 MILLION WHICH WAS AUTHORIZED IN THE FY 1974 BILL BUT NOT APPROPRIATED. ON SUBSEQUENT CONSIDERATION, HOWEVER, IT WAS DECIDED THAT A REQUEST TO CON-

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GRESS FOR ADDITIONAL FUNDS AT SUCH A LATE DATE (APRIL) WOULD PROBABLY BE UNSUCCESSFUL AND COULD PREJUDICE THE CHANCES OF OUR FY 1975 REQUESTS FOR JORDAN; WE THEREFORE DECIDED TO ADD DOLS 12.5 MILLION TO OUR FY 1975 SUPPORTING ASSISTANCE REQUEST OF DOLS 65 MILLION, INCREASING OUR TOTAL REQUEST FOR JORDAN IN FY 1975 TO DOLS 77.5 MILLION.

WE HAVE NO DOUBT THAT THE JORDANIANS DO NEED ADDITIONAL CASH TO MEET CURRENT EXPENSES. BUT WE BELIEVE THEY COULD FIND RESOURCES TO COVER THEIR PAYMENTS EVEN IF WE ARE NOT ABLE TO PROVIDE AN ADDITIONAL DOLS TEN MILLION IN SUPPORTING ASSISTANCE BEFORE THE END OF THIS FISCAL YEAR. KUWAIT RESUMED ITS SUBSIDY TO JORDAN DURING THE OCTOBER

WAR, AND THE KUWAITI SUBSIDY IS NOW RUNNING AT AN ANNUAL RATE OF DOLS 56 MILLION. SAUDI ARABIA CONTINUES TO PROVIDE JORDAN AN ANNUAL SUBSIDY OF ABOUT DOLS 45 MILLION YEARLY, AND IN ADDITION THE SAUDIS AND THE GULF RULERS ARE GIVING THE JORDANIANS FUNDS FOR MILITARY SPENDING PROJECTS. MOREOVER, JORDAN HAS SUBSTANTIAL FOREIGN EXCHANGE RESERVES (MORE THAN DOLS 300 MILLION) WHICH CAN BE DRAWN ON IN AN EMERGENCY.

THE PROBLEM IS MAINLY ONE OF CONFIDENCE. WE TOLD THE JORDANIANS IN MARCH THAT WE PLANNED TO PROVIDE DOLS TEN MILLION MORE IN SUPPORTING ASSISTANCE BEFORE THE END OF FY 1974. THIS PLEDGE WAS REAFFIRMED DURING YOUR RECENT VISIT TO AMMAN. IF WE SHOULD NOW TELL HUSSEIN AND RIFAI THAT WE ARE UNABLE TO MAKE GOOD ON THIS PROMISE, WE WILL BE SERIOUSLY EMBARRASSED AND OUR GOOD FAITH MAY BE CALLED INTO QUESTION BY THEM.

OPTIONS FOR TRANSFER OF FULL DOLS TEN MILLION.

ALL OF THE AVAILABLE OPTIONS TO TRANSFER ADDITIONAL FUNDS TO THE SUPPORTING ASSISTANCE ACCOUNT FROM OTHER CHAPTERS OF THE FOREIGN ASSISTANCE ACT REQUIRE A PRESIDENTIAL DETERMINATION AND INVOLVE OPERATIONAL PROGRAM CONSIDERATIONS, OUR RELATIONS WITH THE RECEIVING NATIONS AND POTENTIAL CONGRESSIONAL PROBLEMS. THE FOLLOWING OPTIONS ARE AVAILABLE TO US, HOWEVER:

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1. TRANSFER FROM NARCOTICS ACCOUNT

THE NARCOTICS APPROPRIATION FOR FY 1973 IS DOLS 42.5 MILLION OF WHICH DOLS 15 MILLION IS PROGRAMMED FOR TURKEY BUT UNOBLIGATED PENDING OUR NEGOTIATIONS WITH THE TURKISH GOVERNMENT ON THE RESUMPTION OF OPIUM CULTIVATION. THE OTHER DOLS 27.5 MILLION IS FULLY PROGRAMMED FOR COUNTRIES WHICH HAVE AGREED TO SUPPORT NARCOTICS PROGRAMS, AND TO WITHDRAW THIS SUPPORT AT THIS POINT WOULD MAKE IT EXTREMELY DIFFICULT TO RENEGOTIATE THESE AGREEMENTS AT A LATER DATE.

SECTION 610(A) OF THE FOREIGN ASSISTANCE ACT AUTHORIZES THE PRESIDENT TO TRANSFER UP TO TEN PER CENT OF THE FUNDS IN CERTAIN FOREIGN ASSISTANCE APPROPRIATIONS (INCLUDING NARCOTICS) TO OTHER ASSISTANCE PROGRAMS. UNDER THIS SECTION WE WOULD BE ABLE TO TRANSFER UP TO \$4.2 MILLION FOR SUPPORTING ASSISTANCE TO JORDAN. A PRECEDENT EXISTS FOR USING THIS AUTHORITY IN CONJUNCTION WITH THE PRESIDENT'S WAIVER AUTHORITY UNDER SECTION 614(A)

ALTHOUGH IT IS DOUBTFUL THAT CONGRESS INTENDED TO PERMIT

WAIVER OF THE TEN PER CENT LIMITATION CONTAINED IN SECTION 610. WAIVER OF THAT LIMITATION WOULD PERMIT FUNDS IN EXCESS OF DOLS 4.2 MILLION TO BE MADE AVAILABLE FOR JORDAN.

PRO: WE ARE UNLIKELY TO GET A DEFINITIVE RESPONSE FROM THE TURKISH GOVERNMENT BY JUNE 30 AND THE FUNDS PROGRAMMED FOR THAT NARCOTICS CONTROL EFFORT COULD TECHNICALLY BE USED FOR OTHER PURPOSES SINCE THEY WILL NOT BE TURNED OVER TO THE TURKS.

CON: A CONGRESSIONAL REACTION MUST BE EXPECTED AGAINST TRANSFERRING FUNDS FROM THIS PROGRAM WITH A HIGH DOMESTIC POLITICAL PROFILE. WE WOULD ALSO ENCOUNTER RESISTANCE FROM THOSE U. S. AGENCIES WHICH ARE CONCERNED WITH DRUG CONTROL AND LAW ENFORCEMENT. FINALLY THE TURKS WOULD PROMPTLY BECOME AWARE OF OUR DECISION TO TRANSFER THE FUNDS PROGRAMMED FOR THEM AND CONCLUDE THAT WE HAVE DECIDED THAT THEY WILL DROP THE BAN ON OPIUM PRODUCTION
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THOUGH THE MATTER WAS STILL UNDER DISCUSSION. USE OF SECTION 614(A) WAIVER AUTHORITY TO WAIVE THE LIMITATIONS OF SECTION 610, ALTHOUGH NOT CLEARLY ILLEGAL, RAISES LEGAL DOUBTS. CONGRESS MIGHT REACT BY RESTRICTING THE PRESIDENT'S CURRENT BROAD POWERS UNDER SECTIONS 610 AND 614.

NOTE: ATTACHED AT TAB E IS A MEMORANDUM FROM AMBASSADOR VANCE PRESENTING HIS ARGUMENTS AGAINST THIS OPTION, WHICH HE BELIEVES IS HIGHLY INADVISABLE. AT TAB F IS A MEMORANDUM FROM EUR WHICH ALSO PRESENTS ARGUMENTS AGAINST TRANSFER OF FUNDS FROM THE TURKISH PROGRAM. EUR AND S/NM BELIEVE THAT THE USE OF THESE FUNDS FOR ANOTHER PROGRAM WOULD SERIOUSLY DAMAGE THE DEPARTMENT'S CREDIBILITY WITH CONGRESS AND IN ITS RELATIONS WITH TURKEY.

2. TRANSFER OF FUNDS FROM MAP

WE HAVE ALREADY TRANSFERRED DOLS FIVE MILLION FROM MAP TO SUPPORTING ASSISTANCE TO FINANCE THE SUEZ CANAL CLEARANCE OPERATION.

BECAUSE OF SEVERELY REDUCED APPROPRIATIONS AND CAMBODIA'S EMERGENCY REQUIREMENTS, WE HAVE ALREADY REDUCED ALMOST ALL MAP COUNTRY PROGRAMS IN FY 74.

ASIDE FROM ETHIOPIA, JORDAN IS THE ONLY MAP PROGRAM THAT HAS BEEN FULLY FUNDED IN FY 1974 AT THE LEVEL PROPOSED IN THE CONGRESSIONAL PRESENTATION DOCUMENT. THE KOREAN PROGRAM, FOR EXAMPLE, HAS BEEN REDUCED FROM DOLS 264

MILLION TO DOLS 78 MILLION, THE THAI PROGRAM FROM DOLS 60 TO 30 MILLION, AND THE INDONESIAN PROGRAM FROM DOLS 25 TO DOLS 12.2 MILLION. ANY FURTHER TRANSFER OF FUNDS WILL PROBABLY HAVE TO COME LARGELY FROM FUNDS PROGRAMMED FOR KOREA.

PRO: IF ABSOLUTELY NECESSARY AND ACTION IS TAKEN IMMEDIATELY, FUNDS COULD BE MADE AVAILABLE FROM MAP TO PERMIT UP TO DOLS TEN MILLION TO BE TRANSFERRED TO SUPPORTING ASSISTANCE FOR JORDAN.

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CON: MOST MAP RECIPIENTS ARE DEEPLY DISTURBED BY THE PROJECTED CUTS IN THE MAP PROGRAM FOR FY 1974. FURTHER CUTS WILL ERODE THEIR CONFIDENCE IN THEIR SECURITY RELATIONSHIPS WITH US AND UNDERMINE THEIR FAITH IN THE NIXON DOCTRINE.

SOME FRIENDLY CONGRESSMEN HAVE ALREADY EXPRESSED THEIR CONCERN OVER REDUCTIONS IN THE KOREAN PROGRAM.

3. TRANSFER OF FUNDS FROM INDOCHINA POSTWAR RECONSTRUCTION (IPR) ACCOUNT.

TRANSFER FROM THE DOLS 501.3 MILLION AVAILABLE FOR ASSISTANCE TO VIETNAM, LAOS AND CAMBODIA TO THE SUPPORTING ASSISTANCE ACCOUNT IS POSSIBLE, ALTHOUGH THE REQUIREMENTS IN THOSE COUNTRIES EXCEED THE AVAILABLE FUNDS.

PROS: IF CONSIDERED OF SUFFICIENT PRIORITY, FUNDS FOR JORDAN COULD BE TAKEN FROM THIS ACCOUNT.

CONS: EVEN WITH THE DOLS 49 MILLION SUPPLEMENTAL, PRESENTLY AVAILABLE IPR FUNDING WILL BE BARELY ADEQUATE TO MEET VIETNAM'S MINIMUM NEEDS, AND THE FUNDING SITUATION WILL BE VERY TIGHT DURING THE CONTINUING RESOLUTION INTERVAL. A TRANSFER OF IPR FUNDS TO SA COULD CREATE CONGRESSIONAL DIFFICULTIES SINCE IT WOULD UNDERMINE THE CASE MADE TO THE CONGRESS IN JUSTIFYING THE SUPPLEMENTAL. IT WOULD ALSO WEAKEN OUR ABILITY TO MAKE A CASE FOR THE USE OF ADDITIONAL DEVELOPMENT LOAN FUNDS FOR VIETNAM.

4. REPROGRAM AID "OPERATING COSTS"

THE SUPPORTING ASSISTANCE ACCOUNT INCLUDES DOLS 4.4 MILLION

IN U.S. SALARIES, ADMINISTRATIVE AND OTHER COSTS. WHILE THIS IS TECHNICALLY OBLIGATED, IT MAY BE LEGALLY POSSIBLE TO DEOBLIGATE THE GREATER PART AND CHARGE THESE COSTS TO OTHER AID "DEVELOPMENT ASSISTANCE" ACCOUNTS TO FREE THE SUPPORTING ASSISTANCE FOR JORDAN.

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PROS: THIS WOULD PROVIDE A SUBSTANTIAL PORTION OF THE FUNDS NEEDED TO MAKE GOOD ON OUR COMMITMENT TO THE JORDANIANS. THE REST OF THE MONEY REQUIRED COULD BE TAKEN FROM ONE OF THE PROGRAMS DISCUSSED IN THE OTHER OPTIONS.

CON: THERE WOULD HAVE TO BE FIRST THE STUDY OF THE LEGAL ASPECTS OF THIS OPTION. IF IT IS USED, STRONG CONGRESSIONAL REACTION SHOULD BE EXPECTED, PARTICULARLY FROM THE SENATE APPROPRIATIONS COMMITTEE WHICH HAS BEEN CRITICAL OF AID FOR NOT CHARGING TO EACH APPROPRIATIONS ACCOUNT ITS FULL SHARE OF THE ADMINISTRATIVE/OVERHEAD COSTS AS MEANS OF "STRETCHING" THE FUNDING AVAILABILITIES FOR CERTAIN PROGRAMS.

OTHER OPTIONS

THE FOREGOING IS THE FULL LIST OF PROGRAMS FROM WHICH MONEY COULD BE OBTAINED FOR ADDITIONAL BUDGET SUPPORT FOR JORDAN DURING FY 1974. THERE ARE TWO ADDITIONAL POSSIBILITIES WE COULD CONSIDER, THOUGH THE JORDANIANS WOULD REGARD EITHER AS A FAILURE TO DELIVER ON WHAT THEY VIEW AS A COMMITMENT. THESE ARE:

1. DEVELOPMENT ASSISTANCE

THE FOREIGN ASSISTANCE ACT OF 1973 PROHIBITS TRANSFER OF FUNDS FROM DEVELOPMENT ASSISTANCE ACCOUNTS TO SUPPORTING ASSISTANCE, BUT WE COULD MAKE AN ADDITIONAL TEN MILLION DOLLAR LOAN TO JORDAN FOR DEVELOPMENT ASSISTANCE. HOWEVER, A DEVELOPMENT LOAN WOULD NOT MEET JORDAN'S NEEDS FOR IMMEDIATE BUDGET SUPPORT, AND THE JORDANIANS WOULD NOT REGARD ONE AS A VALID SUBSTITUTE FOR THE DOLS TEN MILLION IN SUPPORTING ASSISTANCE THAT THEY ARE EXPECTING.

ANY DEVELOPMENT LOAN, PROJECT OR PROGRAM WOULD REQUIRE CONGRESSIONAL NOTIFICATION UNDER SECTION 114 OF THE APPROPRIATION ACT.

GIVEN THE FACT THAT THERE ARE ONLY A FEW WEEKS LEFT IN

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THIS FISCAL YEAR, IT SEEMS HIGHLY IMPROBABLE THAT WE CAN PREPARE A DEVELOPMENT LOAN WHICH COULD PASS MUSTER ON THE HILL. IT WOULD DRAW SERIOUS CRITICISM FROM MANY CONGRESSMEN AND SENATORS WHOSE SUPPORT IS NEEDED TO OBTAIN ADEQUATE FOREIGN ASSISTANCE FUNDING.

2. SUPPORTING ASSISTANCE PAYMENT IN JULY FROM FY 1975 FUNDS

IN THE SPRING OF 1973 THE JORDANIANS ASKED US FOR ADDITIONAL SUPPORTING ASSISTANCE FUNDS TO MEET CURRENT EXPENSES. WE WERE UNABLE TO PROVIDE ADDITIONAL FUNDS IN FY 73, BUT DID PROVIDE SUPPORTING ASSISTANCE IN JULY 1973 FROM FY 74 FUNDS AVAILABLE UNDER CONTINUING RESOLUTION AUTHORITY. WE COULD OFFER TO DO SOMETHING SIMILAR AGAIN THIS YEAR, THOUGH THIS OF COURSE WOULD CUT INTO FY 75 SUPPORTING ASSISTANCE FUNDS WHICH THE JORDANIANS ARE COUNTING ON. SINCE A CONTINUING RESOLUTION MAY PROVIDE ONLY ABOUT DOLS 30 MILLION FOR THE FIRST THREE MONTHS OF FY 1975, PROVISION OF SUBSTANTIAL SA FUNDS IN JULY COULD LEAVE US SHORT OF MONEY FOR CANAL CLEARANCE FOR EGYPT AND OTHER SA RECIPIENTS.

RECOMMENDATIONS

1. NEA BELIEVES THAT FAILURE TO PROVIDE THE DOLS TEN MILLION DURING THIS FISCAL YEAR COULD CREATE SERIOUS EMBARRASSMENT IN OUR RELATIONS WITH JORDAN AND KING HUSSEIN. ALL THE OPTIONS LISTED ABOVE HAVE SERIOUS DISADVANTAGES. SHOULD YOU DEEM IT ESSENTIAL TO PROVIDE THE DOLS TEN MILLION, NEA RECOMMENDS THAT YOU CHOOSE BETWEEN THE FOLLOWING OPTIONS:

(A) TRANSFER DOLS TEN MILLION FROM THE INDOCHINA RECONSTRUCTION ACCOUNT TO SUPPORTING ASSISTANCE FOR PAYMENT TO JORDAN IN FY 1974. SUCH TRANSFER WOULD, HOWEVER, HAVE SERIOUS CONGRESSIONAL CONSEQUENCES ON INDOCHINA AID LEVELS AND MAY CAUSE VIETNAM TO RUN OUT OF FUNDS BEFORE FY 1975 MONEY IS AVAILABLE.

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(B) OR, ALTERNATIVELY, TRANSFER THE NECESSARY FUNDS FROM THE FY 1974 NARCOTICS AND MAP ACCOUNTS, OR ENTIRELY FROM THE MAP ACCOUNT, TO THE SUPPORTING ASSISTANCE ACCOUNT

TO MAKE UP A TOTAL OF DOLS TEN MILLION FOR PAYMENT TO JORDAN IN FY 1974. SUCH TRANSFER OF FUNDS WOULD HAVE A HEAVY IMPACT ON OUR RELATIONSHIP WITH THE COUNTRIES CONCERNED AND WITH CONGRESS.

APPROVE
TRANSFER FROM NARCOTICS AND MAP ACCOUNT
TRANSFER FROM MAP ACCOUNT ONLY

DISAPPROVE

AID AND PM DO NOT CONCUR IN THESE RECOMMENDATIONS. EA DOES NOT CONCUR IN TRANSFERRING FUNDS FROM THE INDOCHINA RECONSTRUCTION ACCOUNT OR FROM MAP. S/NM AND EUR DO NOT CONCUR IN TRANSFERRING FUNDS FROM THE NARCOTICS PROGRAM. H ASSOCIATES ITSELF WITH AMBASSADOR VANCE'S MEMORANDUM ON TRANSFER OF FUNDS FROM THE NARCOTICS PROGRAM AND WITH AID'S OBJECTIONS TO TRANSFERRING FUNDS FROM THE INDOCHINA RECONSTRUCTION PROGRAM.

2. AID AND PM RECOMMEND THAT WE PROVIDE THE DOLS TEN MILLION IN MID-JULY FROM JORDAN'S FY 75 FUNDS, AS SOON AS FY 75 FUNDS BECOME AVAILABLE.

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3. SHOULD YOU FEEL THAT IT IS NOT ESSENTIAL TO PROVIDE THE FULL DOLS TEN MILLION IN THIS FISCAL YEAR BUT WISH TO SOFTEN THE IMPACT OF THIS DECISION ON THE JORDANIANS, THE FOLLOWING COURSES OF ACTION ARE AVAILABLE:

A. WE SEEK A PRESIDENTIAL DETERMINATION TO TRANSFER DOLS 4.2 MILLION OF THE FUNDS EARMARKED FOR TURKEY IN THE NARCOTICS ACCOUNT UNDER AUTHORITY PROVIDED UNDER SECTION 610(A) OF THE FOREIGN ASSISTANCE ACT AND INFORM THE
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JORDANIANS THAT WE WILL BE ABLE TO PROVIDE BETWEEN DOLS 5 AND 5.5 MILLION (DOLS 4.2 MILLION PLUS THE APPROXIMATELY DOLS 1.4 MILLION WE EXPECT FROM SUPPORTING ASSISTANCE DEOBLIGATIONS) BEFORE THE END OF JUNE FROM FY 74 FUNDS AND THE BALANCE, TO MAKE DOLS TEN MILLION, FROM FY 75 FUNDS AS SOON AS FY 75 FUNDS ARE AVAILABLE.

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S/NM'S, EUR'S AND H'S OBJECTIONS TO THE TRANSFER OF NARCOTICS FUNDS, STATED UNDER OPTION 1(B) APPLY TO THE ABOVE OPTION AS WELL.

B. WE TELL THE JORDANIANS THAT WE WILL PROVIDE ABOUT DOLS 1.4 MILLION FROM FY 74 FUNDS BEFORE JUNE 30 AND THE BALANCE, TO MAKE UP DOLS TEN MILLION, FROM FY 75 FUNDS. WE WOULD TELL THE JORDANIANS THAT THE BALANCE MAY HAVE TO COME OUT OF THE PROPOSED JORDANIAN ALLOCATION FROM FY 75 SUPPORTING ASSISTANCE APPROPRIATION BUT THAT WE WOULD DO OUR BEST TO FUND IT FROM OTHER SOURCES.

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C. WE TELL THE JORDANIANS THAT WE WILL PROVIDE ABOUT
DOLS 1.4 MILLION FROM FY 74 FUNDS BEFORE JUNE 30 BUT
THAT WE WILL PROVIDE DOLS 15 MILLION FROM FY 75 FUNDS
REQUESTED FOR SUPPORTING ASSISTANCE FOR JORDAN AS SOON AS
FY 75 FUNDS BECOME AVAILABLE, IN ORDER TO HELP WITH JOR-
DAN'S CASH FLOW PROBLEMS. THIS WOULD LEAVE US WITH LITTLE
MONEY FOR OTHER RECIPIENTS (E.G- EGYPT AND ICCS) DURING
THE FIRST QUARTER OF FY 75 BUT WOULD PROBABLY BE MANAGE-
ABLE.

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<< END OF DOCUMENT >>

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